

THE WHITE HOUSE
WASHINGTON

SECRET/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Ford
James R. Schlesinger, Secretary of Defense,
former CIA Director
John O. Marsh, Jr., Counsellor to the President
Philip W. Buchen, Counsel to the President
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

MORI/CDF
C03195585

DATE AND TIME:

Friday, January 3, 1975
11:10 a.m. - 12:18 p.m.

PLACE:

The Oval Office, The White House

SUBJECT:

Allegations of CIA Domestic Activities

President: Since the story broke I have been talking to Henry, you, Phil and Jack about working up a charter for a Blue Ribbon Panel. Since then I have found out some things I didn't know about. Let Jack fill you in.

Marsh: Let me mention three things: the Colby report, the Silberman report, and the file on the left.

Under Ramsey Clark, an intelligence division was set up by (IDIN) John Doar. It was directed toward the dissident movement which was against the war and which was urban-centered. Out of this came the IDIV in December '67. Helms wrote a memo which redefined this mission and urged them on. Then in the Nixon Administration came the Huston Plan, which was to be established in July 1970. They got orders to desist three days later. Then it was set up in October as an internal intelligence board and an internal intelligence staff. All this excluded NSC and DOD, but they did go to DIA, the Services, NSA, etc. We have turned up a summary of their activities, written by Angleton. They had seven meetings; it lasted apparently until 1973.

We have a Huston-to-Helms memo saying that all material on this sent to the White House would go to Huston, not through the NSC.

SECRET/XGDS

SECRET/XGDS

-2-

25X1 Schlesinger: The Intelligence Group, called "the family jewels," covers all these "extra curricular" activities. Symington was briefed thoroughly, as were Nedzi and some others. I did this following the surfacing of the [redacted], when I scanned the Agency.

President: Was the CIA involved in Watergate?

[redacted]

25X1

There is a layer in the Agency which you can never really find out what is going on. So you don't ever want to give them a clean bill of health. I am not sure that Bill [Colby] knows all, nor that I did. You should defend it and call for clean actions, but not give them a wholesale acceptance.

President: We need a three-step process: First, we'll set up a Blue Ribbon Panel to look into the allegations. We've got Erwin Griswold, John McCloy, Lyman Lemnitzer, Ronald Reagan, Douglas Dillon, Judge Friendly, and one black -- either Brimmer or Coleman.

Schlesinger: You might want a media man. How about Frank Murphy? He was on the PFIAB; he's a Republican, with good liberal connections, President of the Los Angeles Times. Or Frank Stanton.

President: We want to keep it not more than seven.

Schlesinger: How about a Congressional representative?

President: As part two I want to call in the heads of all the intelligence agencies and ask if there were any illegal activities or anything that was out of their charter. I want it in writing. Third, I will suggest to Congress that they have an investigation -- preferably by a joint committee -- and that the Blue Ribbon Panel would cooperate with their panel and could investigate the CIA charges and say it is clear now. We can turn over all our documentation to the Panel and let them wrestle with how much they give to the Congressional Committee.

Schlesinger: You should not denounce the allegations out of hand. Some of the activities are illegal, but justified -- like breaking and entering to get codes.

SECRET/XGDS

SECRET/XGDS

-3-

President: I wouldn't pass judgment. That would be the job of the Panel to report back to me. I won't make any charges or deny any.

Schlesinger: I was referring to the letters to you.

Buchen: We want to find out how they operate, rather than designate any of it as illegal.

Schlesinger: There are a number of time-honored activities. For example, we will get code books if we can. The others penetrate us if they can. 25X1

President: Why, when you went to the CIA, did you take the action you did?

President: I plan to say that a Central Intelligence Agency is essential to our national security but it has to live within its Congressional charter. It has to be put positively -- that it is essential.

Schlesinger: You may want to say that an effective intelligence operation is essential because you may want to restructure it like the British. The mixing of clandestine and non-clandestine activities is a source of disquiet to the American people. It tinges the non-clandestine activities.

President: What do you think of our counter-intelligence?

Schlesinger: It's lousy. We are being penetrated more and more. The FBI has opted out. We are in bad shape.

Buchen: Should the investigation be restricted to counter-intelligence?

Schlesinger: I would have the Panel look both at the clean-up and at the positive need for intelligence. Have it look at the intelligence community.

President: How about a joint committee?

SECRET/XGDS

SECRET/XGDS

-4-

Schlesinger: That may be the best solution in light of this. One thing you might consider is a national intelligence board superseding or going beyond the PFIAB and including Congressional representation. It might defuse some Hill fervor.

President: I would oppose mixing the legislative and the executive; but I do think we need a change in PFIAB. I would keep the technical people but have a big turnover in non-technical people.

Any other questions?

Marsh: Is there a danger to our current operations?

Schlesinger: There always is. This whole episode can be educational though. We can make the point that most of the operations are legitimate and necessary.

President: What do you think of the Colby report?

Schlesinger: It is bland and could be released, but it dealt with the directives, and so on, and doesn't get at what may have gone on. You could say publicly that the report indicates that the news reports are overdrawn but you are appointing a Blue Ribbon Panel to look into it.

President: I have no intention of releasing the report. Is there anything else?

Schlesinger: I have some names to suggest: There's David Packard, Dean Rusk, Rostow, Cy Vance, Richard Neustadt, Bill Perry, Howard Robeson.

Buchen: Lloyd Cutler?

Schlesinger: You might want to look at Bromley Smith.

President: Cutler is a good lawyer, but he is cleverly very partisan.

SECRET/XGDS